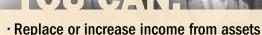
Planning Your Charitable Gifts

upporting Excelsior College is a wonderful thing. Gaining immediate benefits from your generosity while increasing the impact of your giving is even better. By working with Excelsior's Office of Institutional Advancement, you can create a plan to meet your personal and philanthropic goals. This personalized gift plan can help to meet your individual needs, secure your family's future, and strengthen Excelsion College—all at the same time.

Integrated into your overall financial plan, gift planning enables you to make a significant impact on the College without committing upfront cash, while you reap numerous benefits.

We always encourage donors to get advice from their financial advisors as they consider their plans.



- · Provide income for someone else
- Decrease taxes on received income
- · Fund gifts with your retirement plan or IRA
- · Avoid the multiple taxes applicable to your retirement plan or IRA
- Defer or avoid capital gains taxes
- · Avoid stock market fluctuations by diversifying your portfolio

LET US THANK YOU FOR YOUR SPECIAL GIFT

Excelsior's Legacy Society

You can become a member of Excelsior College's Legacy Society by including the College in your estate plans or by making a deferred gift.

The goal of the Legacy Society is to build the College's financial resources, particularly its endowment, ensuring that the College can continue to provide high quality educational opportunities for future generations of Excelsior College students.

For more information regarding membership in the Legacy Society, contact Marcy Stryker, Office of Development: (518) 608-8287 or visit www.excelsior.edu/giving

What's Inside

- Charitable Gift **Planning Primer**
- Leaving a Bequest
- The Return of the **Charitable IRA Rollover**

CONTACT INFORMATION

Marcy Stryker **Director of Development** Office of Institutional Advancement 7 Columbia Circle Albany, NY 12203

(518) 608-8287 (518) 464-8777 (fax) mstryker@excelsior.edu www.excelsior.edu/giving

CHARITABLE GIFT PLANNI

What is a Charitable Gift Annuity (CGA)?

Of all the gifts that pay you back with an income for life, the CGA may be the simplest and most affordable. Unlike a trust, you contribute your gift directly to Excelsior College, and we agree to pay you and an optional second beneficiary a guaranteed fixed life income.

The charitable gift annuity provides a gift to Excelsior and, at the same time, provides an income fund for you or someone you designate. In exchange for an acceptable gift of property, marketable securities or cash, Excelsior College will contractually agree to pay you and/or another beneficiary a specified, fixed income for life.

A gift annuity is for you if:

- You want to make a significant gift to Excelsior and receive a lifetime payment in return
- You want to maximize the payments you receive from your planned gift and you want to lower your income tax on those payments
- You want the security of payments that won't fluctuate
- You want immediate income
- You like the simplicity of the contract
- You want to provide a beneficiary with some tax-free income
- You want the greater income this option provides for older annuitants

The annuity's features include:

- Annual income for life, based on the donor's age
- Immediate payments
- Mix of ordinary, capital-gain and tax-free income
- Funding by cash, securities or property
- Moderate income tax deduction
- Funded at a minimum of \$10,000

Through a CGA you obtain a current income tax charitable deduction that can be carried over into the next five years. Some of the principal you use to make your gift will be returned to you in the form of income payments. That portion of the CGA is tax free. You can significantly reduce the amount of capital gains tax, and your estate will be relieved of paying taxes on the funds that will eventually go to Excelsior.

Deferred Gift Annuities

Deferred gift annuities appeal to younger donors who wish to supplement their income down the road. The donor may have no need for immediate income and may need supplemental retirement income.

The Deferred Gift Annuity's features include:

- Payments begin at a future, specified date
- Income is set by deferral period and the beneficiary's life expectancy
- Higher income-tax deduction than if payments commence immediately



Questions and Answers About Gift Annuities

- **Q.** How often will I receive my annuity payments?
- **A.** Typically once a year, but it can be semiannually or quarterly.
- **Q.** Is a gift annuity a suitable incomeproducing plan for a surviving spouse?
- **A.** Yes. Many survivors appreciate gift annuities because they are designed to make payments for life.
- **Q.** Is it true that the older the person receiving payments, the higher the payment rate?
- **A.** Generally, it is true because more of the investment in the annuity portion is returned each year for older persons due to their life expectancies.
- **Q.** The rate doesn't fluctuate with the stock market or the national economy?
- **A.** No. It is set firmly when you make the gift, and it never changes.
- **Q.** Can I have more than one gift annuity agreement?
- **A.** Yes. In fact, some people make a new gift annuity every year.
- **Q.** How much of my annual payment is free from income tax?
- **A.** The answer depends on the age(s) of the person(s) receiving the payments when the annuity is created. The older the age(s), the greater the tax-free percentage of each payment. We will be pleased to provide you with an illustration.
- **Q.** If I exchange appreciated securities or other assets for my gift annuity, do I avoid tax on the capital gain?
- **A.** You avoid capital gains tax on the property that is considered a gift. The rest of the capital gain will be spread over a number of years, figured into the taxable portion of your annual payments.

NG PRIMER



Leaving a Bequest

any people start their giving by making testamentary gifts through their wills, often referred to as bequests. It is also common, however, to provide similar charitable designations through a retirement plan or IRA, life insurance, revocable and irrevocable trusts – even government savings bonds.

When you alert us to your intentions, you join the College's Legacy Society, a group who has remembered the College in their estate plans. We welcome the chance to help you consider your options.

Why should I consider making a gift from my estate to Excelsior College?

You gain:

- Flexibility in determining both the amount and the ultimate use of the funds within the College.
- A fund, scholarship, professorship, etc. that carries in perpetuity your name or the name of someone you wish to honor.
- The good feeling that comes from joining the community of supporters that ensure Excelsior College's future.
- An expression of your support for Excelsior College without affecting your family's current financial objectives.
- Flexibility in the use of both your assets and income.
- Tax savings for your estate and heirs.
- Participation in Excelsior's fundraising campaigns.

Why should I consider designating Excelsior College as beneficiary of my tax-qualified retirement plan or IRA?

Qualified retirement account assets are among the highest taxed assets in your estate. Non-charity beneficiaries would generally have to pay income tax on distributions, and the accounts may be subject to estate taxes and generation-skipping taxes. The total tax bill could exceed 80 percent! A charitable estate designation to Excelsior College is a tax-free benefit for the future of the College, its students, and society.

Retirement account assets are generally subject to inflexible, minimum required distributions for non-charity beneficiaries. Your heirs may prefer receiving other assets.



"Excelsior has meant so much to me.

I recently took out a life insurance policy
naming Excelsior as beneficiary. It's
my way of contributing to the College's
future." Robert P. Williams, alumnus

You may designate retirement funds to a charitable life-income arrangement that pays income to your heirs, benefiting both your non-charity heirs and Excelsior College.

How can I establish a bequest or estate designation for Excelsior College?

- **Step 1:** Speak to Marcy Stryker, director of development at Excelsior College, regarding your gift intentions. She can assist you in identifying the most attractive and effective designations for your gift, and can assist with suggested language or estate planning considerations.
 - Bequest or trust designation: Create a new will or trust, or modify your present will by adding a codicil. Sample language is located in this newsletter. You can share and edit that language with your attorney.
 - Other estate designation: Designate Excelsior College as beneficiary. Most retirement plans and insurance policies have standard forms for naming Excelsior College as a beneficiary. Call Marcy Stryker, director of development, if you need any assistance in obtaining and filling out the forms.
- **Step 2:** Notify the Office of Institutional Advancement about your intentions. Your notification gives us the opportunity to invite you to join the Legacy Society and encourage others to follow your example. If you wish, we can keep information about your plans entirely confidential.
- **Step 3:** Provide the Office of Institutional Advancement with a copy of your will or designation (or that portion that references Excelsior College). This will allow our office to ensure that your intentions are administered accurately and efficiently. The designation can be officially recognized in Excelsior College's gift records as a pledge.

Examples of language you may wish to use when naming Excelsior College in your will:

For a residual bequest:

All the rest, residue and remainder of my estate, I give to Excelsior College...

For a percentage of your estate:

I give _____ percent of the rest, residue and remainder of my estate to Excelsior College...

For a specific amount of your estate:

I give _____ dollars to Excelsior College.If any person who would have received a share of my estate under this will is not living on the ninetieth day after the day of my death, I give the share which that person would have received to Excelsior College...

Note: If you would like to add a bequest to Excelsior College but do not want to rewrite your existing will, you may do so by adding a codicil. Your attorney can advise you on this procedure.

The Return of the Charitable IRA Rollover

On October 3, 2008, President Bush signed the Emergency Economic Stabilization Act of 2008 into law. The new law includes a charitable giving provision that permits new tax-free distributions from IRAs—known as the charitable IRA rollover.

This new provision provides an exclusion from gross income for certain distributions of up to \$100,000 from a traditional individual retirement account, which would otherwise be considered taxable income. To qualify, the charitable gift must be made to a tax-exempt organization like Excelsior College.

If you have saved tax-deferred income in an IRA and must begin taking required minimum distributions from that account(s) at age 70½, you'll pay income tax on that amount. By making a gift to charity from your IRA in an amount equal to or more than the required minimum distribution for that year, you can accomplish your charitable goals and reduce your tax liability.

Please note the following requirements:

- You must be 70½ years of age
- Tax benefits apply to gifts up to \$100,000 per year for tax years 2008 and 2009
- The provision expires December 31, 2009
- The amount must be in the form of an outright gift.

Who can benefit from a charitable IRA rollover?

Anyone who turned 69 years of age by July 2, 2008, will be eligible to make a charitable rollover from IRA assets before the provision expires on December 31, 2009.

While other planned giving options are available to Excelsior alumni and friends, the charitable rollover may be particularly appealing if:

You have maxed out your charitable deductions
 A qualified charitable distribution operates separately from the percentage rules that limit the tax benefit of individual charitable giving. Therefore, for individuals inclined to give more, the charitable IRA rollover is an ideal option.

You are a non-itemizer

Because qualified charitable distributions from IRAs do not require the donor to claim an income tax charitable deduction, non-itemizers can take the equivalent of a charitable deduction via the IRA rollover and indicate that on the front page of the IRS Form 1040 without itemizing.

You currently reside in a state that does not allow itemized charitable deductions

As a general rule, most states follow the federal income inclusion rules. That means donors in a state where the tax incentive for giving was limited by the old rules could realize an additional benefit. You should verify the impact of the charitable provisions of the new law in your state.



Acceptance of Membership

Yes, I want to accept membership in the Excelsior College Legacy Society.
Name
Excelsior Degree, if applicable
Address
City, State, Zip
Telephone
Fax
E-Mail Address
I qualify for membership in The Legacy Society by having placed Excelsior College in my estate plan through:
☐ My Will ☐ Trust(s) ☐ Life Insurance
Other:
☐ I'd like to learn about Excelsior College's Charitable Gift Annuity
*Please contact me, on a confidential basis, to discuss a plan that will benefit both me and the college. The best time to call me is
a.m. orp.m.
Signature
D. A.

Mail or Fax to: Marcy Stryker, Director of Development, Office of Institutional Advancement, 7 Columbia Circle, Albany, NY 12203 • Fax (518) 464-8777 • Phone (518) 608-8287 • mstryker@excelsior.edu